

6 - 7 Medicaid as Payment in Full; Billing Patients Prohibited

A provider who accepts a patient as a Medicaid or Baby Your Baby patient must accept the Medicaid or state payment as reimbursement in full. A provider who accepts a patient enrolled by Medicaid in a managed care plan must accept the payment from the plan as reimbursement in full. If a patient has both Medicaid and coverage with a responsible third party, do not collect any co-payment usually charged at the time of service. The provider may NOT bill the patient for services covered by either of these programs or a managed care plan. The payment includes any deductible, coinsurance or co-payments required by any other third party, such as insurance or Medicare. Medicaid claim forms and the completion of the claim forms are considered part of the services provided and cannot be charged to Medicaid patients.

The only exceptions to the general rule of accepting the Medicaid payment as reimbursement in full are in Chapter 6-8, Exceptions to Prohibition on Billing Patients. Providers must follow policies and procedures concerning, but not limited to: medical services covered; medical service limitations; medical services not covered; obtaining prior authorization; claim submission; reimbursement; and provider compliance, as set forth in the Medicaid Manuals, Medicaid Information Bulletins, and letters to providers. If a provider does not follow the policies and procedures, the provider may not seek payment from the patient for services not reimbursed by Medicaid. This includes services that may have been covered if the provider had requested and obtained prior authorization. A provider who fails to follow Medicaid policy and is not reimbursed for services rendered may NOT subsequently bill the Medicaid patient. For example, if the provider submits a request for prior authorization, and the request is denied pending additional documentation, the provider must submit the documentation and obtain authorization, rather than billing the patient for services rendered.

Providers who serve people with a Qualified Medicare Beneficiary Identification (QMB) Card must accept the Medicare payment and the Medicaid payment, if any, for coinsurance and deductible as payment in full. Providers may not bill patients eligible for the Qualified Medicare Beneficiary Program for any balance remaining after the Medicare payment and the QMB coinsurance and deductible payment from Medicaid. (Federal reference: 42 CFR 447.15)

Exception: Effective July 1, 2002, providers who serve Primary Care Network patients may bill patients for noncovered services set forth in the Primary Care Network Manuals, Primary Care Network Information Bulletins, and letters to providers. A written agreement upon time of service is recommended, but not required.

6 - 8 Exceptions to Prohibition on Billing Patients

The four circumstances explained in this chapter, items 1 through 4, are the ONLY circumstances in which a provider may bill a Medicaid patient. They are non-covered services, Form MEEU attached to Medicaid Identification Card; Medicaid co-payments and co-insurance; and broken appointments. The specific policy in each item must be followed before the Medicaid patient can be billed.

1. Non-Covered Services

A non-covered service is a service not covered by a third party, including Medicaid. Since the service is not covered, any provider may bill a Medicaid patient when **four conditions are met**:

- A. The provider has an established policy for billing all patients for services not covered by a third party. (The charge cannot be billed only to Medicaid patients.)
- B. The patient is advised **prior to receiving** a non-covered service that Medicaid will not pay for the service.
- C. The patient agrees to be personally responsible for the payment.
- D. The agreement is made in writing between the provider and the patient which details the service and the amount to be paid by the patient.

Unless all conditions are met, the provider may not bill the patient for the non-covered service, even if the provider chooses not to bill Medicaid. Further, the patient's Medicaid Identification Card may not be held by the provider as guarantee of payment by the patient, nor may any other restrictions be placed upon the patient.